

caused alarm for a time, but was repressed without serious results.¹

The crisis of 1837 in the United States was one of the results of that discounting of the future in a new country, which results in over-speculation and the Sinking of capital in unproductive enterprises. Foreign capital became available in great quantities for the use of the American people after the recovery from the crisis of 1825 in England, and specie imports kept company with an excess of imports of merchandise, amounting in seven years to \$140,700,000, as evidence of the heavy loans which Europe was willing to make in the United States.² The fact that the United States succeeded in wiping out their entire public debt and accumulating a surplus seemed, among the financiers of European countries, burdened under millions of debt and annual interest charges, to be a proof of great prosperity.³ The success of the Erie Canal led to the projection of many similar enterprises in the Middle States and the West; cities were laid out in the wilderness, and city lots sold at prices which in conservative times could hardly have been realized in New York and Philadelphia. The valuation of the city of Mobile in 1831 was \$1,294,810; it rose in 1837 to \$27,482,961, only to fall in 1846 to \$8,638,250.* The price of cotton was pushed up, and negroes became as active a subject of speculation in the South as the timber lands of Maine in the North.

¹Juglar, 342.

²The excessive purchases of foreign goods, which did not have to be paid for in either merchandise or bullion, is shown by the fact that the imports from Europe increased from \$62,893,883 for the year ending September 30, 1833, to 1127,511,020 in 1836, and even the imports from other countries increased from \$38,154,060 to \$49,068,134. This great increase in consumption was offset only partially by the increase in exports of American merchandise to Europe, which rose from \$56,556,837 in 1833 to \$96,413,449 in 1836, while other exports slightly fell off. The reaction was striking after the breaking out of the crisis. Imports fell during the year ending September 30, 1838, to \$62,017,575, while exports from the United States to Europe fell only to \$79,849,768.

³Juglar, 464.

⁴Shepard, 251.